



Total Compensation Study Proposal

City of Dinuba

Koff & Associates

Georg Krammer
Chief Executive Officer

6400 Hollis Street, Suite 5
Emeryville, CA 94608
www.koffassociates.com

E: gkrammer@koffassociates.com
P: 510.658.5633
T: 800.514.5195
F: 510.652.5633





Total Compensation Study Proposal

City of Dinuba

September 17, 2013

Ms. Jayne Anderson
Assistant City Manager
City of Dinuba
405 E. El Monte Way
Dinuba, CA 93618

Dear Ms. Anderson:

Thank you for the opportunity to respond to your request for proposals for a Total Compensation Study for the City of Dinuba. We are most interested in assisting the City with this important project.

Koff & Associates is an experienced Human Resources consulting firm that has been conducting similar studies for cities, counties, courts, special districts, higher education institutions, and other public agencies for almost thirty years. The firm is a woman-owned California small business corporation and has achieved a reputation for working successfully with management, employees, and union representatives. We believe in a high level of dialogue and input from study stakeholders and our proposal speaks to that level of effort. That extra effort has resulted in close to *100% implementation* of all of our classification, compensation, and staffing studies.

Koff & Associates is a small firm that accepts only as much work as our own staff can handle. This ensures a high level of quality control, excellent communication between clients and our office, commitment to meeting timelines and budgets, and a consistent high-caliber work product.

We are unaware of any conflict of interest in performing the proposed work.

Katie Kaneko, President will assume the role of Project Director and be responsible for the successful completion of this project. We can both be reached at the Emeryville address, phone number, and fax number listed below. Katie's email address is kkaneko@koffassociates.com and my email address is gkrammer@koffassociates.com.

Please call if you have any questions or wish additional information. We look forward to the opportunity to provide professional services to the City of Dinuba.

Sincerely,

Georg S. Krammer
Chief Executive Officer
6400 Hollis Street, Suite 5
Emeryville, CA 94608
510.658. KOFF (5633)



Table of Contents

Understanding of the Project	1
Study Objectives	2
Work Plan and Methodology	4
Expectations of City Support	11
Stakeholder Touch-Points	12
Post-Implementation Consultation and Support	13
Project Completion Schedule	14
Firm Qualifications	15
Project Team	16
Client References	20
Cost Proposal	22
Insurance Requirements	24
Signature Page	25



UNDERSTANDING OF THE PROJECT

The City of Dinuba desires human resources consulting assistance to conduct an objective job evaluation, market compensation survey, and development of compensation systems for all of its job classifications in order to make recommendations regarding the appropriateness, internal equity, and external competitiveness of the City's compensation plans. The City currently has approximately one-hundred eighteen (118) employees allocated to approximately sixty-six (66) classifications in the following departments:

- City Manager (includes City Clerk, Human Resources, and Vocational Center)
- Finance Services
- Parks and Community Services
- Public Works (includes Engineering)
- Fire
- Police

Additionally, the City has not had a compensation conducted externally by a consultant in at least 30 years. The City has been maintaining the compensation plan through annual surveys with comparator cities and, as needed, with reclassifications and new classification development. The City wants to revise the compensation plan to reflect changes in service performance levels by City staff, ensure salaries are commensurate with assigned duties, provide justifiable pay differentials between individual classes, and maintain parity with relevant labor markets.

The study's purpose will be to review the City's compensation structure and to conduct a compensation market survey using a set of appropriate comparator agencies. It is understood that the identification of comparator agencies, benchmark classifications, and benefits data to be collected is an iterative process that includes all stakeholders. We have found this open discussion philosophy to be critical to our success for organizational buy-in. Once the external data development is completed, we will make specific recommendations for internal equity for non-benchmarked classifications and classifications without a large enough market sampling.

The compensation study will contain specific recommendations regarding a salary schedule and the integration of all study classifications into a clearly designed, internally equitable format that is flexible for career opportunity and future growth. Our report(s) will make recommendations regarding a salary structure that takes the City's compensation preferences into consideration and regarding the appropriate placement of each classification on that salary schedule.

The study includes a significant number of meetings with the Assistant City Manager or designee, management, employee representation, employees, and the City Council, if desired. We have expertise in labor/management relations and understand the importance of active participation by all stakeholders to ensure a successful outcome. The meetings and "stakeholder touch-points" that we recommend ensure understanding of the project parameters, enhance accurate intake and output of information and improve a collaborative and interactive approach that will result in greater buy-in for the study recommendations. This interactive approach, although time-consuming, has resulted in almost 100% implementation success of Koff & Associates' studies.



STUDY OBJECTIVES

Compensation Objectives

- To make recommendations regarding a list of appropriate comparator agencies, benchmark classifications, and benefits to be collected prior to beginning the compensation portion of the study;
- To collect accurate salary and benefits data from the approved group of comparator agencies and to ensure that the information is analyzed in a manner that is clear and comprehensible to your City Council, Human Resources, management, employee representation, and employees;
- To carefully analyze the scope and level of duties and responsibilities, requirements for successful work performance, and other factors for survey classes according to generally accepted compensation practices;
- To review the City's compensation structure and practices, recommend changes as appropriate, and develop a compensation plan that will assist the City to recruit, motivate, and retain competent staff;
- To develop solutions to address pay equity issues, analyze the financial impact of addressing pay equity issues, and create a market adjustment implementation strategy supporting the organization's goals, objectives, and budget considerations;
- To evaluate benefit offerings in the labor market and make recommendations for better alignment and/or different benefit offerings as indicated by the analysis and best practices;
- To create an inclusive final report summarizing the administrative and process methodologies, analytical tools, findings, and recommended compensation structure;
- To recommend appropriate internal salary relationships and allocate classes to salary ranges in a comprehensive salary range plan; and
- To ensure sufficient documentation and training throughout the study so that our recommendations can be implemented in a competent and fair manner.

Overall Objectives

- To review and understand all current documentation, rules, regulations, policies, procedures, budgets, class descriptions, organizational charts, personnel policies, memoranda of understanding, wage and salary schedules, and related information so that our recommendations can be operationally incorporated with a minimum of disruption;
- To conduct start-up study project team meetings with the Assistant City Manager or designee, management, employee representation, and others to discuss any specific concerns with respect to the development of compensation plans; finalize study plans and timetables; conduct employee orientation sessions with Department Directors and staff in order to educate and explain the scope and process of the study and describe what are and are not reasonable study expectations and goals;
- To work collaboratively and effectively with the City and its stakeholders while at the same time maintaining control and objectivity in the conduct of the study;
- To develop a compensation structure that meets all legal requirements, is totally non-discriminatory, and easily accommodates organizational change and growth;



Total Compensation Study Proposal

City of Dinuba

-
- To document all steps in the process and provide documentation and training for the Assistant City Manager or designee in compensation analysis methodologies so that the City can integrate, maintain, administer, and defend any recommended changes after the initial implementation and in the future; and
 - To provide effective ongoing communications throughout the duration of the project and continued support after implementation.



WORK PLAN AND METHODOLOGY

This section of the proposal identifies the actual work scope. We believe that our detailed explanation of methodology and work tasks clearly distinguishes our approach and comprehensiveness. For a timeline for completing each step, please refer to Project Completion Schedule (page 15) and for estimated hours for each step, please refer to Cost Proposal table (page 24).

A. INITIAL DOCUMENTATION REVIEW/MEETINGS WITH STUDY PROJECT TEAM & MANAGEMENT STAFF

This phase includes identifying the client project team (Assistant City Manager or designee, management, and other staff, as appropriate), contract administrator, and reporting relationships. Our team will conduct an orientation and briefing session with the study project team and management to explain process and methodology; create the specific work plan and work schedule; identify subsequent tasks to be accomplished; reaffirm the primary objectives and specific end products; determine deadline dates for satisfactory completion of the overall assignment; determine who will be responsible for coordinating/scheduling communications with management, employee representation, employees, and the City Council; and develop a timetable for conducting the same.

Included in this task will be the gathering of written documentation and assembling current class descriptions, organizational charts, salary schedules, budgets, personnel policies, memoranda of understanding, previous classification and compensation studies, and any other relevant documentation to gain a general understanding of City operations.

City terminology and methods of current classification and compensation procedures will be reviewed. We will discuss methodology and agree to a compensation format and identify appropriate comparator agencies, benchmark classifications to be surveyed, and benefits to be collected. We will respond to questions.

B. IDENTIFY COMPARATOR AGENCIES, BENCHMARK CLASSIFICATIONS, AND BENEFITS TO BE COLLECTED

During the initial meeting with the study project team, we will discuss the compensation study factors that need to be agreed upon. We will review the current listing of comparable cities, identify potential new comparator cities/agencies, and recommend appropriate changes as necessary, which will be the foundation of ensuring that the City's salaries for the studied classifications are competitively aligned with the external labor market. We will also identify those classifications that will be surveyed in the market (i.e., benchmark classifications), with the intention of internally aligning the remaining classifications with those that were surveyed. Finally, we will determine/confirm the list of benefits that the City wants to be included in the total compensation data gathering process.



1. Determination of Comparator Agencies

The selection of comparator agencies is considered a critical step in the study process. Using the following factors to identify appropriate comparators, we will receive approval before proceeding with the compensation survey.

Our recommended methodology is that we involve the study project team, management, employee representation, and the City Council in the decision-making process of agreeing as to which agencies are included, **PRIOR** to beginning the study. Our experience has shown that this is the most successful approach. During this iterative process, the City's current/previous list of comparators and the advantages/disadvantages of including them/others will be discussed. The factors that we review when selecting and recommending appropriate comparator agencies include:

- **Organizational type and structure** – While various organizations may provide overlapping services and employ some staff having similar duties and responsibilities, the role of each organization is somewhat unique, particularly in regard to its relationship to the citizens it serves and level of service expectation.
- **Similarity of population served, agency demographics, agency staff, and operational and capital improvement budgets** – These elements provide guidelines in relation to resources required (staff and funding) and available for the provision of services.
- **Scope of services provided** – While having an organization that provides all of the services at the same level of citizen expectation is ideal for comparators, as long as the majority of services are provided in a similar manner, sufficient data should be available for analysis.
- **Labor market** – The reality of today's labor market is that many agencies are in competition for the same pool of qualified employees. Individuals often do not live in the community they serve. Therefore, the geographic labor market area (where the City may be recruiting from or losing employees to) will be taken into consideration when selecting potential comparator organizations.
- **Cost of living** – The price of housing and other cost-of-living related issues are some of the biggest factors in determining labor markets. We will review overall cost of living of various geographic areas, median house prices, and median household incomes to determine the appropriateness of various potential comparator agencies.

We typically recommend using ten to twelve (10-12) comparator agencies for all classifications, but we are flexible to use a different model based on the City's preference.



2. Determination of Benchmark Classifications

"Benchmark classes" are normally chosen to reflect a broad spectrum of class levels. In addition, those that are selected normally include classes that are most likely to be found in other similar agencies, and therefore provide a sufficient valid sample for analysis.

Internal relationships will be determined between the benchmarked and non-benchmarked classifications and internal equity alignments will be made for salary recommendation purposes.

Because we find that the labor market typically yields reliable data, we recommend using about 60%-65% of all classifications as benchmarks but are flexible to use a different model.

3. Determination of Salary and Benefits Data to Be Collected

In addition to base salaries, benefit data elements for a total compensation study normally include at least the following, which are generally available to all staff in a specific job classification. Shown below are descriptions of those benefits that we normally collect (which can be modified to include any other information the City desires):

- **Monthly Salary** – The top of the normal, published salary range. All figures are presented on a monthly basis. We normalize the salary data to reflect working hours and/or "spiking" of retirement or other benefits.
- **Employee Retirement** – This includes two figures: the amount of the employee's State or other public or private retirement contribution that is contributed by the agency and the amount of the agency's Social Security contribution.

With healthcare cost rising and retiree healthcare and liabilities increasing for many public agencies, we typically collect retiree health information as well. However, we do not roll this cost into our total compensation analysis but report it separately by describing what the policies/liabilities are.

- **Insurance** – This typically includes Health, Dental, Vision, Life, Long-Term Disability, Short-Term Disability, Employee Assistance Program (EAP), and other insurance coverage.
- **Leave** – Other than sick leave, which is usage-based, leave is the amount of days off for which the organization is obligated. All days will be translated into direct salary costs.
 - **Vacation** – The number of vacation days available to all employees after five (5) years of employment.
 - **Holidays** – The number of holidays (including floating) available to the employee on an annual basis.
 - **Administrative/Personal Leave** – Administrative leave is normally the number of days available to management staff to compensate for the lack of payment for



overtime. Personal leave may be available to other groups of employees to augment vacation or other time off.

- **Deferred Compensation** – This is any deferred compensation provided to all members of a classification, either as an employer matching contribution or as a straight dollar or percentage contribution.
- **Other** – This category includes any other benefits that are available to all employees within a classification and not already specifically detailed.

C. DATA COLLECTION

Our firm does not collect market compensation data by merely sending out a written questionnaire. We find that such questionnaires are often delegated to the individual in the department with the least experience in the organization and given a low priority. We conduct all of the data collection and analysis ourselves to ensure validity of the data and quality control. This approach also ensures that we compare job description to job description and not just job titles, therefore ensuring true “matches” of at least 70%, which is the percentage we use to determine whether to include a comparator classification or not. Our job analysis method is the whole position analysis approach.

Objective factors in the whole position classification methodology include:

1. Education, Training, and Certifications/Licenses
2. Experience
3. Problem Solving/Ingenuity
4. Attention/Stress (Concentration/Time Pressure & Interruptions)
5. Independence of Action/Responsibility
6. Contacts with Others/Internal/External
7. Supervision Received and/or Given to Others
8. Consequences of Action/Decisions Made on the Job
9. Working Conditions
10. Physical/Mental Demands

Our analysis will include written documentation of our assessment methodology and assessment for each position surveyed.

We typically collect classification descriptions, organization charts, salary schedules, human resources policies, MOUs, and other information via website, by telephone, or by an onsite interview.

With the prior knowledge from the data gathered directly from each comparator agency and our experience in the public sector human resources field, our professional staff makes preliminary “matches” and then schedules appointments by telephone, and sometimes in person, with knowledgeable individuals to answer specific questions. We find that the information collected



using these methods has a very high validity rate and is generally substantiated by employees, management, as well as governing bodies.

D. ANALYSIS AND PRELIMINARY DATA REVIEW

Data will be entered into spreadsheet format designed for ease of interpretation and use. The information will be presented in a format that will identify the comparator positions used for each classification comparison. Information will be calculated based upon both average and median figures allowing the City to make informed compensation decisions. Other elements of the compensation survey report are:

- Agencies surveyed;
- Comparable class titles;
- Salary range maximum/control point;
- Number of observations; and
- Percent the City's salary range is above/below the market average/median values.

In addition, we will include any type of statistical representation and analysis that the City desires such as 60th, 70th, or any other percentiles.

Benefit data will be displayed in an easy-to-read format. You will receive three sets of spreadsheets per classification, one with base pay, one with the benefits detail, and one with total compensation statistical data. In addition, we are often asked to collect "other" benefits (as listed in the benefits section above), which we typically report on a separate spreadsheet.

E. DRAFT COMPENSATION FINDINGS/ADDITIONAL ANALYSIS/PROJECT TEAM MEETING AND INFORMAL APPEALS PROCESS

We distribute our draft findings to the City. After the City's preliminary review, K&A will meet with the study project team and other stakeholders (including management, employee representation, and employees) to clarify data, to receive requests for reanalysis of certain comparators, and to answer questions and address concerns. This provides an opportunity for the study project team and other stakeholders to review and question any of our recommended benchmark comparator matches.

Our experience has been that this is one of the most critical phases of the project. Our proactive and effective communication process at this crossroad has always avoided formal appeals, adversarial meetings, or major conflicts at the conclusion of the study.

Each employee will receive a memorandum from us outlining what has been accomplished, how to best review the data that will be attached, and how to provide feedback to us. Employees shall submit their written concerns (via the supervisor, management, and study project team) to our office. While employees may not always agree with our recommendations, they have a "second chance" to ensure that they have been heard and to continue the educational process regarding why specific recommendations were made.



Significant employee comments will be reviewed with management prior to making any significant changes to the data spreadsheets. These discussions may be by email, telephone, or additional direct personal contact with management, depending upon the extent of the response. We will conduct follow-up analysis to reconfirm our original analysis and/or make corrections as appropriate.

F. INTERNAL RELATIONSHIP ANALYSIS/INTERNAL ALIGNMENT

To determine internal equity for all studied positions, considerable attention will be given to this phase of the project. It is necessary to develop an internal position hierarchy based on the organizational value of each classification. Again, we utilize the "whole position" analysis methodology as described above in Section C.

By reviewing those factors, we will make recommendations regarding vertical salary differentials between classes in a class series (if recommended), as well as across departments. This analysis will be integrated with the results of the compensation survey.

The ultimate goal of this critical step of the process is to address any potential internal equity issues and concerns with the current compensation system, including compaction issues between certain classifications. We will create a sound and logical compensation structure for the various levels within each class series, so that career ladders are not only reflected in the classification system but also in the compensation system, with pay differentials between levels that allow employees to progress on a clear path of career growth and development. Career ladders will be looked at vertically, as well as, horizontally.

G. COMPENSATION STRUCTURE AND IMPLEMENTATION RECOMMENDATION DEVELOPMENT

Depending on data developed as a result of the internal analysis, we will review and make recommendations regarding internal alignment and the salary structure (set of salary ranges, salary differentials, minimum and maximum percent spread, steps within ranges, difference between each salary step, and/or alternative compensation plans) within which the classes are allocated, based upon the City's preferred compensation model. We will develop recommendations for pay grades and salary ranges for all classifications based on median and/or mean salaries from the comparable agencies.

We will conduct a competitive pay analysis using the market data gathered to assist in the determination of external pay equity and the recommendation of a new base compensation structure. We will conduct a comparative analysis to illustrate the relationships between current pay practices and the newly determined market conditions and develop solutions to address pay equity issues, analyze the financial impact of addressing pay equity issues, and create a market adjustment implementation strategy supporting the City's goals, objectives, and budget considerations.

Finally, we will evaluate benefit offerings in the labor market and make recommendations for better alignment and/or different benefit offerings as indicated by the analysis and best practices.



Draft recommendations will be discussed with the study project team and management prior to developing an Interim Report.

H. PREPARATION OF DRAFT FINAL AND FINAL REPORT AND DELIVERABLES

The Draft Interim Report of the Compensation Study will be completed and submitted to the City for review and comment. The report will provide detailed compensation findings, documentation, and recommendations. The report will include the following information:

- A set of all market data spreadsheets;
- A proposed Salary Range/Plan document;
- Any alternative compensation plans identified;
- Implementation issues and cost projections surrounding our recommendations; and
- A guide for the organization in implementing, managing, and maintaining the compensation system.

Once all of the City's questions/concerns are addressed and discussed, a Final Compensation Study Report will be created and submitted in hardcopy (manual) and electronic formats. The Final Report will incorporate any appropriate revisions identified and submitted during the review of the draft report.

We will also provide training to City staff on the methodology used to systematically assess the job classifications in order to maintain internal compensation equity in the future when adding, changing, or deleting classifications.

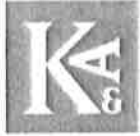
I. FINAL PRESENTATION

Our proposal includes multiple meetings and conference calls and weekly oral and/or written status/progress updates to the study project team. We will also be prepared to develop and present our reports and future impacts of any recommended changes to the City Manager, as well as, other City management staff, if desired.

Regarding the involvement of the City Council, we recommend at least one initial meeting regarding the comparator agencies to be included in the study, one interim study session (to discuss the initial findings of the compensation study, i.e., preliminary data), and one final presentation of our Final Report. Of course, we are flexible to have more or less interaction with the City Council, based on the City's preferences.

J. PARTICIPATION IN A FORMAL APPEAL PROCESS

Should the City have a formal appeal process regarding the allocation of classifications to salary ranges, this proposal does not cover time regarding a formal appeal process (the informal appeal process is identified in E above). Should our on-site participation be desired, our stated composite hourly rate will be honored. As mentioned above, however, our internal process usually addresses any appeal issues.



EXPECTATIONS OF CITY SUPPORT

In order to conduct this study in the most timely and cost-effective manner, we ask for support in the following areas:

- Timely provision of written documentation, such as current class specifications, personnel policies, organizational charts, budget documents, requests for audits, past compensation and benefits studies, etc.;
- Assistance in the notification and scheduling of orientation and other meetings and the provision of adequate space;
- Assistance in scheduling project team, management, employee representation, employee, and other meetings; and
- Meeting agreed upon timelines.

In terms of time commitment for City staff, it is our expectation that the City hires an outside consultant to conduct the entire effort. It is our goal to reduce the time commitment of City staff as much as possible and to only request assistance in the coordination of some of the steps in the process, such as scheduling meetings, disseminating information, and in general, be a channel of communication between our firm and employees.



STAKEHOLDER TOUCHPOINTS

As mentioned earlier in this proposal, we believe in a high level of stakeholder contact and interaction to ensure organizational buy-in of the study throughout the entire process. The following are the major milestones at which we touch base with the project team, management, employee representation, employees, and/or other stakeholders, as appropriate:

- Initial study kick-off and employee/management orientation meetings;
- Stakeholder input regarding a list of appropriate comparator agencies;
- City/stakeholder review of compensation study data and contact with them to address any challenges to the market comparables we identified for each classification;
- Stakeholder input on internal salary relationship analysis and recommendations; and
- Stakeholder input regarding final compensation plans and structure recommendations.

These steps will ensure that the study results in a product that is accepted and trusted by all levels within the City. Beyond sound mechanics, our approach includes sufficient communication steps to ensure that the study methodology is understood and the results are regarded as expert, impartial, and fair.



POST-IMPLEMENTATION CONSULTATION AND SUPPORT

We are committed to providing the City with the highest-quality product and service. Providing ongoing consultation and support after study implementation is a service that is included in our professional fees and a continued relationship-building aspect of our client relationship that we highly value.

Often times, we find that clients will call or email with follow-up questions and to discuss certain aspects of the study, why decisions and recommendations were made, and other important components of the study. We consider post-implementation support as part of our customer service.

Should the City request any additional onsite meetings and/or training after implementation of the study and/or other specific, identifiable work efforts, we would honor our composite hourly rate for actual hours spent at the City. However, from experience, we expect that most follow-up support will be conducted via telephone and email and this is absolutely included in our total lump sum fee for this project.



PROJECT COMPLETION SCHEDULE

Our professional experience is that comprehensive classification, compensation, and staffing studies of this scope and for this size organization take approximately three (3) months to complete, allowing for compensation data collection and analysis, review steps by the City, the development of final reports, any appeals, and presentations. The following is a suggested timeline based on an estimated contract/agreement for services execution date of October 23, 2013 and a completion date of no later than three (3) months from date of agreement is entered into (as stated in RFP):

	Start Date	Date of Completion
	2013 / 2014	2013 / 2014
A. Initial Documentation Review/Meetings with Study Project Team and Management Staff	October 28	November 1
B. Identify Comparator Agencies, Benchmark Classes, and Benefits to Be Collected	October 28	November 1
C. Data Collection	November 4	November 29
D. Analysis and Preliminary Data Review	December 2	December 6
E. Draft Compensation Findings/Additional Analysis/Project Team Meeting and Informal Appeal Process	December 9	December 20
F. Internal Relationship Analysis/Internal Alignment	December 23	December 27
G. Salary Structure and Implementation Recommendation Development	January 2	January 10
H. Development of Draft Final and Final Report and Deliverables	January 13	January 17
I. Final Presentation	As Scheduled	
J. Formal Appeal Process *	As Needed	



FIRM QUALIFICATIONS

Koff & Associates is a majority woman-owned public sector human resources consulting firm that was founded in 1984 and has been assisting cities, counties, special districts, other public agencies, and non-profit organizations for almost 30 years. Our headquarters are located in Emeryville, CA and we have a satellite office in Brea, CA. We are a State-certified small business enterprise and a locally certified Very Small Business Enterprise in Alameda County.

We are familiar with the various organizational structures, agency missions, operational and budgetary requirements, and staffing expectations.

We have extensive experience working in both union and non-union environments (including serving as the management representative in meet & confer and negotiation meetings), working with City Councils, Boards of Supervisors, Boards of Trustees, Merit Boards, Joint Power Authorities, and Boards of Directors.

The firm's areas of focus are compensation and classification studies (approximately 70% of our workload); performance management and incentive compensation programs; development of strategic management tools; organizational development/assessment studies; policy/procedure and employee handbooks development; executive search and staff recruitments; public agency consolidations and separations; Human Resources audits; and serving as off-site Human Resources Director for our smaller public agencies that need the expertise of an Human Resources Director but do not need a full-time, on-site professional.

Without exception, all of our classification and compensation studies have successfully met all of our intended commitments; communications were successful with employees, supervisors, management, and employee representatives; and we were able to assist each agency in successfully implementing our recommendations. All studies were brought to completion within stipulated time limits and proposed budgets.

The firm's growing list of clients is indicative of its reputation as being a quality organization that can be relied upon for producing comprehensive, sound and cost-effective recommendations and solutions. Koff & Associates has a reputation for being "hands-on" with an ability and expertise to implement its ideas and recommendations through completion in both union and non-union environments.

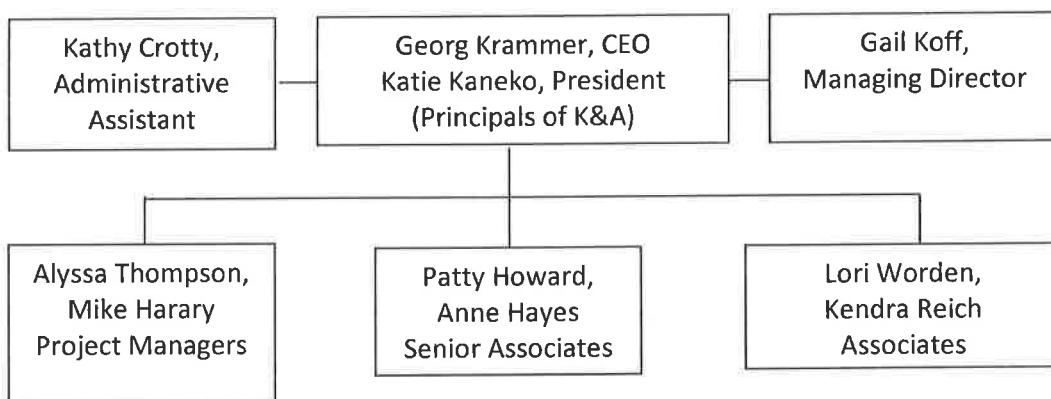
Koff & Associates relies on our stellar reputation and on the recommendations and referrals of current clients to attract new clients. Our work speaks for itself and our primary goal is to provide professional and technical consulting assistance with integrity, honesty, and a commitment to excellence. The fact that we have not had any formal appeals in almost thirty years, working with hundreds of public agency clients and completing hundreds of classification and compensation studies, is something we are very proud of.



PROJECT TEAM

Project chart and professional qualifications of staff that will be included in this study are:

Organizational/Project Chart



K&A's team consists of ten (10) members, as shown above in our organizational structure. All members of our team have worked on multiple comprehensive classification and compensation studies and are well acquainted with the wide array of organizational structures, classification plans, and compensation structures, as well as the challenges and issues that arise when conducting studies like this.

Catherine "Katie" Kaneko, C.P.A., P.H.R. President

Katie brings over twenty (20) years of management level human resources experience to Koff & Associates, both as a human resources director and as a management consultant in the hi-tech industry as well as the public sector. She has extensive experience in compensation including equity plans and performance incentive programs, survey design and reporting, recruitment in both the public and private sector; staffing; classification and job analysis; compensation and job evaluation techniques, employee relations, retention strategies, infrastructure development; coaching; policy and procedure development; mergers and acquisitions; change management and employee training.

With a Bachelor in Business Administration, Katie started her career as a Certified Public Accountant (CPA) in an international accounting/consulting firm. She transitioned into Human Resources within the firm to become the Human Resources Director of the San Francisco office. She then moved into the hi-tech industry where she served in leadership positions for high-growth, startup, and organizations in transition. Her primary focus in recent years has been in classification, compensation, and recruitment services in the public sector.

Katie's experience provides a broad knowledge of human resource management within diverse organizations. Her background provides her a strong ability to understand the big picture, identify problems and solutions, and effectively implement them. Her skill set complements our



current consultant base with additional levels of service areas. Katie joined K&A in 2000 and has been the firm's President since 2005.

Katie will be assigned as Project Director for this project and coordinate all of K&A's efforts. She will attend all meetings with the City and be responsible for all work products and deliverables.

**Georg S. Krammer, M.B.A., S.P.H.R.
Chief Executive Officer**

Georg brings over sixteen (16) years of management-level human resources experience to Koff & Associates with an emphasis in organizational development; classification and compensation design; market salary studies; executive and staff recruitment; performance management; and employee relations, in the public sector, large corporations and small, minority-owned businesses.

After obtaining a Master of Arts in English and Russian and teaching credentials at the University of Vienna, Austria, Georg came to the United States to further his education and experience and attained his Master of Business Administration from the University of San Francisco. After starting his HR career in Wells Fargo's college recruiting department, he moved on to HR management positions in the banking and high-tech consulting industries. With his experience as a well-rounded senior HR generalist, his education in business and teaching, and his vast experience with public sector HR programs and functions, Georg's contribution to K&A's variety of projects greatly complements our consulting team. Georg joined K&A in 2000 and has been the firm's Chief Executive Officer since 2005.

Georg will provide consultant support throughout the study, including participating in meetings with employees and management, compensation analysis, internal job analysis, development of recommendations, and implementation strategies.

**Mike Harary
Project Manager**

Mike Harary brings over twenty-five (25) years of HR experience "to the table," currently serving as the Assistant Human Resources Director for the City of Orange and working for our team on a part-time basis. For the past 15 years, Mike has been involved in all aspects of HR for Orange, including serving as Chief Negotiator for the City. Mike manages the City's recruitment and selection, employee benefits, labor relations, classification and compensation, and general Human Resources functions.

Prior to Orange, Mike worked for the City of La Mirada for almost 10 years, working his way up from Personnel Intern to Personnel Analyst. Mike possesses a Bachelor's Degree in Business Administration emphasizing Human Resources Management from California State University, Long Beach, and a Masters of Business Administration also from Cal State Long Beach.

Mike has played a key role in developing and implementing CalPACS, a regional, internet-based, comprehensive salary and benefits survey website for local agencies. For his efforts in



this successful venture, Mike received the 2005 “Moving Forward Award” by the California Public Employers Labor Relations Association (Cal-PELRA). Mike also served as the President of the Orange County Employee Relations Committee.

Mike will provide consultant support throughout the study, including compensation analysis, internal job analysis, development of recommendations, and implementation strategies.

Alyssa Thompson, PhD
Project Manager

Alyssa earned her bachelor's degree in Psychology with a minor in Sociology-Organization Studies from the University of California, Davis and her PhD in Organizational Psychology from Alliant International University. She brings with her over ten (10) years of human resources experience in compensation data gathering and analysis, classification analysis and development, performance management, affirmative action program development, and recruitment. Alyssa also has experience in designing and conducting quantitative and qualitative research studies.

Since joining the firm in 2007, Alyssa has worked on over seventy-five (75) classification, compensation, recruitment, and other special human resources projects. She has worked on classification, compensation, and/or organizational projects for numerous clients, such as the Cities of Tulare, Madera, Newman, Patterson, Orange, Montebello, Bellflower, Coachella, Menifee, San Gabriel, Perris, Poway, as well as, Dublin San Ramon Services District, Cutler-Orosi Joint Unified School District, Orange County Sanitation District, Midpeninsula Regional Open Space District, Housing Authority of the County of San Bernardino, San Francisco Housing Authority, and the Counties of San Mateo and Tehama.

Alyssa will provide consultant support throughout the study, including compensation analysis, internal job analysis, staffing analysis, development of recommendations, and implementation strategies.

Anne Hayes
Senior Associate

Anne earned a Bachelor's degree in Mathematics and Economics from the University of California, Santa Barbara.

Before joining Koff & Associates, she worked in the private sector for more than 10 years, with 5 years in a management role. She transitioned to a non-profit organization, which specialized in providing labor relations representation to public sector employers, where she gained extensive experience in data gathering and analysis, specifically in the areas of classification, compensation and benefit analysis for public sector agencies.

Since joining K&A two years ago, Anne has been an integral part of project teams working on classification, compensation, and/or organizational studies for the cities of El Cerrito, Lafayette, Novato, and San Jose, as well as Cutler-Orosi Joint Unified School District, Mount San Antonio College, Orange County Transportation Authority, Orange County Sanitation District, Central Contra Costa Sanitary District, South Tahoe Public Utility District, Alameda County Waste Management Agency, and Bay Area Clean Water Agencies.



Anne will provide consultant support throughout the study, including compensation analysis, internal job analysis, staffing analysis, development of recommendations, and implementation strategies.

Lori Worden
Firm Associate

Prior to joining Koff & Associates, she spent over a decade in internal HR consulting roles for a number of large public agencies, including the County of San Mateo and the University of California system. Lori obtained her Master's degree in Industrial & Organizational Psychology from CSU Long Beach and went on to earn a Juris Doctorate degree (emphasis in employment and labor law) at Golden Gate University.

Lori learned tricks of the trade on a job classification consolidation project within the California courts system, spurred by the unification of the Municipal and Superior Courts.

Lori's career path led her from the courts to the University of California system, where she conducted total compensation and organizational studies, developed and analyzed compensation and benefits data for collective bargaining, and contributed to improvements to the position management and HRMIS system. One of her career highlights was the development of a new campus-wide classification and compensation structure for UC Merced called Career Tracks, which includes dual career tracks for technical "leaders" and technical "experts." The project was based on pioneering work in the area of classification and compensation using a market based model created by UC Berkeley.

Lori will provide professional consulting support as needed.

Kathy Crotty
Administrative Assistant

Kathy is our resident data entry, office administrative and technical "guru" and has been with the firm for over five years. She will be heavily involved with the technical aspects of the project and assist our professional staff at each phase of each project.



CLIENT REFERENCES

The following list includes references from agencies that we conducted similar studies for most recently, as well as, some other studies from the past five years that were completed for agencies in similar geographic areas as Dinuba. We are also currently conducting a District-wide classification and compensation study for the Cutler-Orosi Joint Unified School District.

City of Tulare City-wide classification and total compensation study completed in two phases from 2007-08 and 2008-09.	Contact: Ms. Margee Fallert Deputy City Manager (559) 684-4203 411 E. Kern Avenue Tulare, CA 93274 Email: mfallert@ci.tulare.ca.us
City of Newman City-wide classification and total compensation study completed 2008.	Contact: Mr. Michael Holland City Manager (209) 862-3725 938 Fresno Street Newman, CA 95360 Email: mholland@cityofnewman.com
City of Madera City-wide total compensation study completed 2009.	Contact: Ms. Wendy Silva Director of Human Resources (559) 661-5400 205 West Fourth Street Madera, CA 93637 Email: wsilva@cityofmadera.com
City of Bellflower Total compensation study completed in 2007; compensation study completed in 2013.	Contact: Ms. Susan Crumly Human Resources and Risk Manager Phone: (562) 804-1424 16600 Civic Center Drive Bellflower, CA 90706 E-mail: scrumly@bellflower.org
City of Novato Total Compensation study completed 2012.	Contact: Mr. Dan Weakley Human Resources Manager Phone: (415) 899-8918 75 Rowland Way #200 Novato, CA 94945 E-mail: dweakley@novato.org
Monterey Bay Unified Air Pollution Control District Classification and total compensation study completed 2013.	Contact: Ms. Joyce Giuffre Administrative Services Manager Phone: (831) 647-9411, ext. 229 24580 Silver Could Court Monterey, CA 93940



Total Compensation Study Proposal

City of Dinuba

	E-mail: jgiuffre@mbuapcd.org
City of Sausalito City-wide classification and total compensation study completed 2012.	Contact: Mr. Charlie Francis Director of Administrative Services/Treasurer (415) 289-4105 420 Litho Street Sausalito, CA 94965 E-mail: cfrancis@ci.sausalito.ca.us
Town of Windsor Town-wide classification and total compensation study completed 2011.	Contact: Ms. Amy Cortese Human Resources Manager (707) 838-5379 9291 Old Redwood Hwy, Bldg. 300 Windsor, CA 95492 E-mail: acortese@townofwindsor.com
City of Pismo Beach City-wide classification and total compensation study completed 2009.	Contact: Ms. Debra Garcia Human Resources Officer (805) 773-7928 760 Mattie Road Pismo Beach, CA 93449 E-mail: dgarcia@pismobeach.org
City of Palo Alto Total compensation study for management, professional, and confidential classifications completed 2013.	Contact: Ms. Sandra Blanch Assistant Director, Human Resources (650) 329-2376 250 Hamilton Avenue Palo Alto, CA 94301 E-mail: Sandra.blanch@cityofpaloalto.org



COST PROPOSAL

We have found that, often times, our proposals address a very high level of time commitment, which sometimes results in a higher proposal cost. We believe that our methodology and implementation success rate is attributable to the significantly greater level of contact we have with the City's study project team, management, employee representation, and employees. The time we commit to working with the employees [study project team meetings, orientations and briefings, meetings with employees via personal interviews, informal appeal process, etc.] results in a significantly greater buy-in throughout the process and no formal appeals at the end of the study.

In fact, our firm has never had a formal appeal to any of our studies in almost thirty years. It has been our experience that the money and time invested in stakeholder touch-points throughout the study are money and time saved during implementation. Numerous times our firm has been hired after an agency has gone through an unsuccessful classification and/or compensation study whose results were rejected or appealed and whose implementation was very controversial. The result was a divided organization with hostility and animosity between employees/employee representation and management. Every time our firm was hired after such a bad experience, study stakeholders were amazed at our open and all-inclusive process, our efforts to elicit equal stakeholder input, and our development of recommendations that were accepted as fair and reasonable and understood by employees, management, employee representation, and the governing body. Our success rate is also attributable to the fact that we have almost thirty years of experience working with employees of all types of backgrounds, educational levels, and work experiences and are accustomed to successfully communicate with and educate them throughout the process. It is imperative that all employees eventually buy into the study results and recommendations, whether they have been through a process like this before or whether this is their first time.

In these economic times, the tendency may be to select the firm with the lowest cost proposal but it has been our experience that ultimately the price can be much higher considering the additional time and lost goodwill that can result from utilizing a less involved process.

Our clients always provide feedback that our process was professional, comprehensive, understandable, timely, and inclusive. Employees, although not necessarily always happy with our recommendations, have always indicated that we listened to their issues and concerns and were available for discussion, as required. Although time consuming, we also drive the process to ensure that timelines are met and schedules are maintained.

We want to emphasize that we provide an all-inclusive lump-sum cost amount for the entire study and do not believe in underpricing the effort or change orders along the way, unless the City requests an obvious and identifiable *additional* level of effort. However, we're also aware that budgets are often limited and that non-profit organizations must be economically conservative.

The cost proposal below is broken down by project task, so that the City can make informed decisions about what is needed/required in terms of scope of work. Of course, the City may



Total Compensation Study Proposal

City of Dinuba

select any combination of the tasks below and we are open to negotiating a cost option that best serves the City's needs.

The cost options below represent only two possible scopes of work and any combination of these two or other options is negotiable. We hope to be able to negotiate a final scope of work that will satisfy the City and accomplish what needs to be done while being as economical as possible.

	Total Compensation Study	Option 1 Hours	Option 2 Hours
A.	Initial Documentation Review/Meetings with Study Project Team and Management Staff	8	8
B.	Identify Comparator Agencies, Benchmark Classifications, and Benefits to be Collected	10	10
C.	Data Collection <i>Option 1: 40 benchmarks, 10 comparator agencies</i> <i>Option 2: 45 benchmarks, 12 comparator agencies</i>	75	100
D.	Analysis and Preliminary Data Review	40	50
E.	Draft Compensation Findings/Additional Analysis/Project Team Meeting and Informal Appeal Process	20	25
F.	Internal Relationship Analysis/Internal Alignment	8	8
G.	Salary Structure and Implementation Recommendation Development	12	12
H.	Development of Draft Final and Final Report and Deliverables	12	12
I.	Final Presentation	8	8
J.	Formal Appeal Process*	0	0
	Additional meetings with study Project Team, management, employees, and/or other stakeholders	5	5
	Total Professional Hours	198	238
	Combined professional and clerical composite rate: \$105/Hour	\$20,790	\$24,990
	Expenses:	\$1,500	\$1,500
	Expenses include but are not limited to duplicating documents, binding reports, phone, fax, supplies, postage, hotels, travel/mileage, per diem, etc.		
	TOTAL LUMP SUM FOR PROJECT NOT TO EXCEED:	\$22,290	\$26,490
	*Additional consulting will be honored at composite rate (\$105)		



INSURANCE REQUIREMENTS

Upon successful award of contract, Koff & Associates, Inc. will provide the City with proof of insurance and indemnify the City in accordance with the "Standard Agreement for Consultant Services" form attached to the RFP.



Total Compensation Study Proposal

City of Dinuba

PROPOSAL SIGNATURE PAGE

This proposal is valid for 90 days.

Respectfully Submitted,

Proposer: KOFF & ASSOCIATES, INC.
State of California

Signed By:

Georg S. Krammer
Chief Executive Officer

September 17, 2013

Date

